

FISCAL NOTE

HB 907 - SB 1135

March 29, 2007

SUMMARY OF BILL: Requires an annual bonus of \$3,000 to any public school teacher who achieves certification by the National Board for Professional Teaching Standards (NBPTS); requires the Department of Education to provide up to \$2,500 in low-interest loans to teachers seeking national certification. A teacher is required to repay one-half the loan if such teacher submits a complete and scorable portfolio in one process, and no repayment is required if the teacher gains certification.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$2,487,500 FY07-08
\$3,216,000 FY08-09

Assumptions:

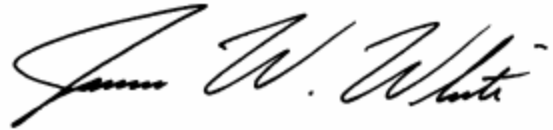
- Last year approximately 95 of 7,191 teachers (1%) in the Memphis City school system applied for national board certification (NBC). If this ratio is used as a benchmark, it could be expected that 607 teachers (1% of 60,691) would apply for certification statewide. Based on national statistics, approximately 40% (243) of those applying achieve certification the first year ($243 \times \$3,000 = \$729,000$).
- Currently, 232 teachers have already achieved NBC and would receive the supplement provided by this bill ($232 \times \$3,000 = \$696,000$).
- Once the incentive is put into place, the number of applicants and the resulting number of national board certified (NBC) teachers would greatly increase after the first year of implementation. This estimate is based on actual data provided by the National Board for Professional Teaching Standards relative to increases in other states that have put a bonus in place.
- The \$1,425,000 for the bonus would recur yearly plus an additional 243 teachers (\$729,000) would be added yearly for several years. Second year costs are estimated to be \$2,154,000 for the annual bonus.
- In addition, there would be an increase in state expenditures for loans made to teachers for national certification purposes. This estimate assumes a maximum loan amount of \$2,500 with an estimated 607 teachers eligible for the loan.
- An estimated 243 teachers would receive a \$2,500 loan that would not be required to be repaid. ($\$2,500 \times 243 \text{ teachers} = \$607,500$)

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- The remaining 364 teachers who received a \$2,500 loan would be required to repay 50% of the loan. ($\$1,250 \times 364 \text{ teachers} = \$455,000$)
- Cost of the loan program is estimated to be \$1,062,500.
- Cost of the annual bonus is estimated to be \$1,425,000.
- Total cost the first year is \$2,487,500.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director